

THE Mentor

News from the State Retirement and Pension System of Maryland

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STATE RETIREMENT
and PENSION SYSTEM
of MARYLAND

Legislative update

DURING THIS YEAR'S LEGISLATIVE SESSION IN ANNAPOLIS,

the Maryland General Assembly enacted several bills of special interest to members of the State Retirement and Pension System. Each of the bills must be signed by Governor Robert L. Ehrlich Jr. to become law. Signed bills become effective July 1, 2005.

Senate Bill 533: Retirement and Pensions – Ordinary Disability Retirement Allowance – Offsets

Synopsis: Exempts ordinary disability retirees from the current earnings limitation *unless* they are employed by a participating employer at an annual salary that is greater than the difference between the retiree's retirement allowance at retirement and his or her average final compensation plus \$5,000.

Senate Bill 584: State Retirement and Pension System – Administration Simplification

Synopsis: Simplifies and clarifies retirement law in several areas:

- Clarifies that only members who are on paid employment or on State Retirement Agency approved leave may purchase service.
- Standardizes termination of membership and filing deadline for disability benefits at four years after leaving said employment for all

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Dear Member:

THE BOARD OF TRUSTEES IS PLEASED TO ANNOUNCE

that the Retirement Agency has joined the dynamic realm of electronic voting for the upcoming election to choose an Employees' Systems' representative to the Board of Trustees.

Starting on June 8, 2005, all retirees and active members of the Employees' Systems will be able to vote for their candidate to the Board either through an interactive telephone response system or through the Internet. The Board is gratified to offer these new convenient methods of voting.

Each active member and retiree of the Employees' Systems will receive a postcard with their personal, eight digit identification number and instructions on how to cast their ballot by phone or through the Internet. This will be mailed on June 3 so that you will have the information on hand when the polls open on June 8. Be sure to keep this postcard on hand. If, however, the postcard is lost or is not received, you may receive a duplicate after June 9 by calling, toll free, 1-866-720-HELP (4357).

We believe that these new voting methods will increase voter participation, familiarize more of our members with the many helpful features of the Agency's website and lower the costs of elections by eliminating some of the postage costs.

Be sure to vote. This is your opportunity to exercise your voice in the administration of your retirement plan.

Sincerely,

William Donald Schaefer
Chairman

Nancy K. Kopp
Vice Chairman



William Donald Schaefer



Nancy K. Kopp

Employees' Systems candidates to vie in Retirement Agency's first electronic election

JOSEPH C. BRYCE, BARRY N. CHAPMAN AND SHEILA HILL will vie for a seat on the Board of Trustees of the State Retirement and Pension System in an election slated for this June.

The election will be the first to use the State Retirement Agency's new electronic voting system, which will enable members and retirees to cast their vote quickly and easily by telephone or Internet. Paper ballots will no longer be used in trustee elections.

Postcards containing voting instructions will be mailed in early June to members and retirees of the Employees' Systems. Eligible voters who have not received a postcard by June 9 may call 1-866-720-HELP (4357) to request a replacement.

The successful candidate will represent members and retirees of the Employees' Systems.

Before voting, please read the following biographical statements provided by the candidates.

JOSEPH C. BRYCE

During my time in public service, I have held positions of responsibility in both the Executive and Legislative branches, and in my current position in Government Relations at the University System of Maryland. I have extensive experience in the State budget process and the legislative process.

As the Legislative Assistant to the Senate President and the Governor's Chief Legislative Officer, I helped implement many fiscal and legislative initiatives that are important to public employees – enhanced pension benefits; cost-of-living increases exceeding

10%; increased personal leave days and increased accumulation of unused annual leave; early retirement legislation; and the establishment of collective bargaining rights for State and University employees.

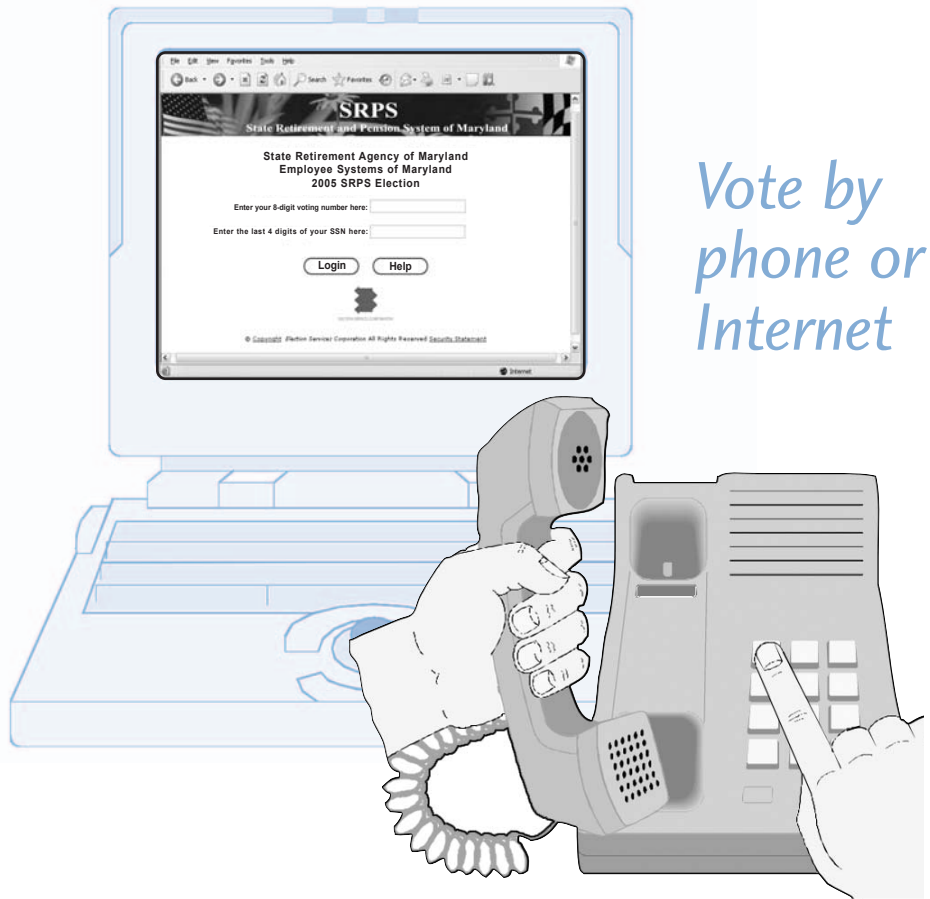
I have a thorough understanding of the fiscal and legislative processes that are used to protect the rights of employees and to ensure the continued security of the pension systems and our retirement benefits. I also have the ability to work with the policymakers at all levels of State government who make the decisions that impact us as public employees. If elected, I will work hard to fulfill my fiduciary duty to ensure that our retirement funds are managed and invested prudently.

Prior to entering State service, I graduated magna cum laude from the University of Maryland, College Park, graduated first in my law school class at Georgetown University, and worked for a large D.C. law firm, Covington and Burling. I live in Anne Arundel County with my children, Joey (8) and Madison (6).

BARRY N. CHAPMAN

I received my B.A. Degree in Labor Studies from the National Labor College, George Meany Center, in 2002 and received an A.A. Degree in Paralegal Studies in 1998 from the Community College of Baltimore County (Dundalk). I have extensive experience in grievance representa-

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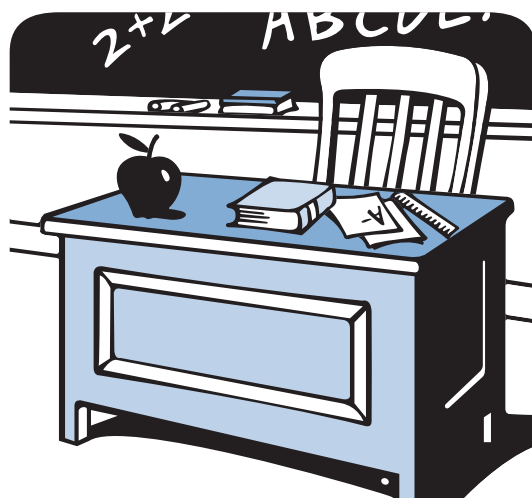
*Vote by
phone or
Internet*

William D. Brown reelected to Board of Trustees

WILLIAM D. BROWN, incumbent candidate for the Board of Trustees of the State Retirement and Pension System of Maryland, has been reelected to a new four-year term on the board.

Mr. Brown, who represents members of the Teachers' Systems, was the only candidate for his post to submit the required nominations to enter the race. As the sole eligible candidate, Mr. Brown was automatically reelected. No election will be conducted for this board seat.

The Montgomery County educator was first elected to the board in 1997.



Employees' Systems election slated for June, from page 2

tion, lobbying and advocacy for Maryland State employees that uplift and fight for all the concerns that adversely impact their employment. More importantly, I need your vote to advocate your views on the pension board.

I have specialized training in Marketing – BCCC and Notary Public State of Maryland Executive Department, 1980; Lobbying and Advocacy – CCBC, 1997; Pension & Employment, Grievances & Arbitration; Statistics – BCCC Co-Op Education Program/Working As Paralegal in Law Offices, Estate Administration – CCBC, 1996; Employment & Business Law – CCBC, 1995; Workers' Compensation Law – CCBC, 1994; Labor Law – CCBC, 1992; Insurance Agent/Broker Training – AAA Insurance Co. – 1991; Real Estate License Certification – Long & Foster Realtors, 2001; Real Estate Appraiser Trainee Certification – Maryland Association of Appraisers, Inc., 2002; Private Investigation training – PCDI, 2004; Law School Admission Council/Testing – Montgomery College, 2004.

Currently, I am employed by the Department of Health and Mental Hygiene, Rosewood Center, as a Contract Monitor.

My vision is to provide better income security for all members of the pension system and their families through fair and lawful pension practices. I won't keep the board seat warm. In this struggle, I will walk the walk. I am President of the Baltimore County Maryland State Employees, AFSCME and am not related to Nathan Chapman.

SHEILA HILL

As your trustee, it has been an honor to serve you during the last year. My goals are to ensure that you have a strong voice in the decisions made on behalf of your pension plans, and to ensure that the system offers top service to Maryland employees and retirees.

To maximize my effectiveness as a trustee, I joined both the Investment and Administrative committees, where I have been involved with overseeing our plan's investment programs and the day-to-day operations of the board. The past year on the board has educated me to the issues facing our secure retirement.

Now, I look forward to using this knowledge to continue to work on behalf of my fellow employees and retirees. The investment performance of the system has improved in the last year, but we still must do better.

I'm an experienced employee advocate with common sense and integrity. As a 17-year state employee and corrections officer, I sit on the executive board of Council 92 and chair the Maryland AFSCME Corrections Steering Committee. I have served as president of AFSCME Local 1319 at the Patuxent Institution since 1997.

Retirement security is the focus of my board agenda. I will fight to protect employees' rights to a funded defined benefit system. Whether it's social security privatization or other ill-conceived plans, too often employees' retirement benefits are under attack. With your support, I promise to defend our retirement against these attacks and to protect our future benefits. Thank you for your vote.

Changing jobs? Don't forget to transfer your retirement credit

IF YOU RECENTLY CHANGED jobs and retirement or pension systems, you may be eligible to transfer the service credit that you earned in the former system into your new retirement or pension account. To qualify for the transfer of service credit, your employment must be continuous and you must apply to transfer the qualified credit within one year of becoming a member of your new system. Under these rules, *continuous employment* means that you changed jobs **without** incurring a break in employment.

It is important to remember that any transfer of service credit must be done within one year after becoming a member of your new system. There are no exceptions.

The rules of your new system determine the amount of employee contributions with interest needed to accompany the transfer of service. If you do not pay these funds, a contribution deficiency will be placed on your account. At retirement, any monies owed to the system will result in an actuarial reduction of your monthly benefit.

Two general types of credit transfers are possible. A member may be eligible to transfer service credit from:

1.

a previous State Retirement and Pension System (SRPS) plan to a new SRPS plan. An example would be a state trooper, with membership in the State Police Retirement System, who accepts a position as a teacher and joins the Teachers' Pension System. To transfer credit within SRPS, you must submit a *Request to Transfer* (Form 37).

2.

a retirement or pension system operated under the laws of any political subdivision of Maryland to an SRPS plan. An example would be a Baltimore City employee, with membership in Baltimore City's retirement plan, who becomes a state employee and joins the Employees' Pension System. To transfer credit earned with a non-SRPS plan, submit a *Request to Purchase Previous Service* (Form 26).

For more information on eligible service transfers, contact a retirement counselor at 410-625-5555 or toll free at 1-800-492-5909.

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members except Teachers' Retirement, Judges' and Legislative systems.

- Requires retirees who plan to return to work for the same employer to wait 45 days after their date of retirement before returning to work.
- Amends special death benefit for members of the Law Enforcement Officers' Pension System to include payment of the member's accumulated contributions with interest.

Senate Bill 663 / House Bill 1347: Retirement and Pensions – Reemployment of Retirees

Synopsis: Exempts retired teachers

and principals from an earnings limitation if they are rehired as a classroom teacher or principal by the same employer. To be eligible for the exemption, rehired teachers must serve in an area of critical shortage, in a special education class or in a class for students with limited English skills in a school meeting certain qualifications. Retired principals must return to work in certain schools.

Senate Bill 664: State Retirement and Pension Systems – Retirement Allowance – Designating Beneficiaries

Synopsis: Prohibits retirees choosing Option 2 or 5 from naming a beneficiary who is more than 10 years younger

unless the beneficiary is the member's spouse or disabled child. Also eliminates special Option 7. Effective only for members retiring on or after January 1, 2006.

Senate Bill 520 / House Bill 758: Employees' Retirement and Pension Systems – Reemployment of Retirees

Synopsis: Exempts retired members of the Employees' Systems from an earnings limit if they are reemployed by the Department of Health and Mental Hygiene as contractual health care practitioners in certain state facilities or a local health department.

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